mate comes to only Rs. 83,600 a provision of Rs. 90,100 is made for the coming year. The provision of Rs. 500 under 'Ethnography' is for the the third volume of Mr. Ananthakrishna Ayyar's 'Cochin Tribes and Castes.'

DEBT HEADS.

During the current year we have paid off the old balance of Rs. 10,000 pending out of the debenture loan. The only loan now remaining is that of Rs. 75,000 taken from the Devaswam Department and paid to the Vaniampara Rubber Company. During the coming year a sum of Rs. 3 lakhs is provided for investment under 'Capital works', viz., the Harbour. The year 1102 which is expected to begin with a net surplus of Rs. 46,49,553 is anticipated to close with Rs. 47,95,253 to the credit of the State after providing for all the existing liabilities.

SUMMARY.

This, Sir, completes my review of the budget. I think I have made clear our financial position at the present time and our proposals for the coming year. The resources are being developed, expenditure is well under control, and a policy of liberal grants has been adopted in all the departments affecting the moral and material progress of the people—called by some as 'the nation building departments'—and these without violating the obligation to balance revenue and expenditure. Education, Public Health and Medicine, Industries, Public Works, Agriculture, etc., have all received generous and substantial provisions. No doubt there might be some who will maintain that we might have set apart a larger proportion of our expenditure for people's wants; but with the limitations on our existing resources which have rather become inelastic, I do not foresee possibilities, in this direction unless we turn to 'fresh fields and pastures new'. *If* more funds had been available—please remember that big '*if*'—certainly, there are directions in which more attention could have been bestowed. To those who hold this view my only request is that they may be pleased to take a fair and impartial view of the various demands on our funds. This done, they will, I hope, agree that our proposals for the expenditure of the funds at our disposal have been conceived with every sympathy for the well-being of the people. In that hope, I present to the Council the budget estimates of the State for the year 1102.

CRANGANUR.

Having done with the State budget, I shall now speak a few words on the Cranganur budget.

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For the past few years Government have been finding it very difficult to balance the budget of the Principality due to the inelastic nature of the revenues and the steady increase of expenditure on the other hand. Accordingly, the budget for the current year was also a deficit one, the receipts and expenditure anticipated being Rs. 1,86,340 and Rs. 1,92,470 respectively.

The revised estimates, however, fortunately show an improvement of Rs. 1,350 on the receipt side and a decline of Rs. 6,880 on the expenditure side, and accordingly the transactions of the year are expected to result in a surplus of Rs. 2,100 as against a deficit of Rs. 6,130 anticipated in the budget. The increase in revenue is mainly under 'Stamps' and 'Education' due to the increase in the sale of stamps and the larger number of pupils.

The head responsible for the decrease of expenditure is also 'Education', the budget and revised estimates being Rs. 59,390 and Rs. 53,550 respectively. The decrease is mainly due to the fact that some of the sanctioned posts were left unfilled and some abolished. The variations under the other heads being small, I do not think it worth-while to take up the valuable time of the members by detailing them here.

The budget estimate of receipts for the next year comes to Rs. 1,87,160 as against the revised estimate of Rs. 1,87,690. The variations under the different heads are so small that they do not call for any special explanation.

As regards expenditure, the budget estimate of the next year is fixed at Rs. 1,78,060, i. e., Rs. 7,530 less than the revised estimate. The most note-worthy decrease is under 'Public Works.' The expenditure under 'Education' has in recent years increased considerably so much so that more than 29 per cent of the estimated gross revenue is consumed by this department alone. It is high time, therefore, to see that the expenditure under the head is brought down to the barest minimum possible. Instructions have, therefore, been issued to the Director of Public Instruction to post lower grade teachers in the Cranganur schools as far as possible and the question of effecting reductions in other directions, if possible, is also engaging the earnest attention of the Government. With due regard to the finances of the Principality I need hardly state, that no large works could possibly be undertaken for the present, and hence provision has been made under 'Public Works' only for such works as are very emergent.

According to the budget estimates, the transactions of the year 1102 are expected to result in a surplus of Rs. 9,100, the

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receipts and expenditure anticipated being Rs. 1,87,160 and Rs. 1,78,060 respectively.

The President's Statement on the Budget.

President.—Now that the Finance Member has explained the budget in the Council, I would like to make a statement thereon, and in doing so, I do not propose to take much of your time. In explaining the figures in the budget, the Finance Member has taken considerable pains to make a presentation in a very lucid manner, at the same time avoiding needless and lengthy details. I must congratulate the Finance Member on the excellent speech that he has now made. The one notable characteristic about it is that it contains facts and figures presented in a very convincing way. His speech, it will be noted, has not assumed the length which characterised his speech last year, and the Finance Member did, in my opinion, the right thing in not going over once more the ground of a review of the financial situation for the previous years which he could not help doing in his first budget speech.

Before offering my remarks on the budget for 1102, I may say a word or two about the budget for 1101 which was passed at our first budget session. The one fundamental principle to guide us in making a financial forecast, viz., that receipts should not be overestimated, and the disbursements should not be underestimated, has truly manifested itself as shown by actual results. I will make my position clear by facts and figures. Our budget estimate of revenue for 1101 was Rs. 70,60,300 and the revised estimate Rs. 71,85,700, thus giving an excess of Rs. 1,25,400. On the disbursement side, the budget amount was Rs. 68,92,300, and the revised estimate amounts to Rs. 66,92,600, thus resulting in a saving of Rs. 1,99,700. As against the anticipated surplus of Rs. 1,60,000, we have now a surplus of Rs. 3,25,100. It is very pleasing to note that we have been able to attain such a result.

Great care has been taken in the framing of the budget for the ensuing year, and it will be observed that the budget of 1102 is, like its predecessor, a surplus budget. It is hardly necessary for me to say on this occasion what the process is that is generally adopted in the framing of the budget. The Heads of Departments who are fully alive to their requirements supply the necessary figures both on the receipt and disbursement sides, supplemented with such details as are necessary in regard to various items. These departmental budgets are carefully scrutinised by the Comptroller of Accounts, and, with his remarks, they are submitted to the Diwan for approval. I am

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